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SUBJECT: SCENESETTER CABLE FOR WHA/CAR DIRECTOR'S VISIT TO GRENADA

11. (SBU) SUMMARY. Embassy Grenada warmly welcomes November 12-13, 2007 visit to St. George's of WHA/CAR Director Velia de Pirro. Director De Pirro is visiting Grenada at a time when the United States is seen by Grenadians as losing its dominance in the Caribbean and China is filling the void. Some Grenadian expats in the U.S. are recommending that the government play the two "giants" off each other to get the most money out of them, especially as the country continues to rebuild after devastating hurricanes in 2004 and 2005. Strong disagreement about how to encourage investment and development divide the country. The specter of elections loom, coloring all discussions, but the most recent CADRES poll reveals public ambivalence about local political parties. Rising fuel and food prices have left the public reeling, looking to government for help at a time when public debt resulting from restoring infrastructure has reached a peak of 126% of GDP. High youth unemployment and increasing crime are causes for concern. The remnants of the Grenada 17, imprisoned for killing former Prime Minister Maurice Bishop, members of his cabinet, and an untold number of Grenadians on October 19, 1983 maintain that the United States knows where the bodies are buried. Mitchell will likely ask about WHA A/S Shannon's June promise to review USG files one more time. END SUMMARY

Economic Developments

12. (SBU) Grenada's economy, dependent on tourism, education, and agriculture, was hit hard by the post-9/11 decline in tourism. It was then devastated by Hurricanes Ivan (2004) and Emily (2005). Ivan brought the economy to a near-standstill, doing damage equal to two and one-half times Grenada's GDP. With assistance from the United States and other sources of international aid, reconstruction proceeded quickly. Despite initial high unemployment in the tourist and other sectors, urban Grenadians benefited post-hurricane from job opportunities in the surging construction sector. Agricultural workers did not fare as well. Hurricane Ivan destroyed or significantly damaged a large percentage of Grenada's nutmeg, cocoa, and other tree crops. Hurricane Emily eight months later further damaged the sector. Complete recovery will take years as many farmers simply walked away from their land and have not returned. Grenada continues to import many basic foods which are no longer grown in sufficient quantities on the island.

13. (SBU) In anticipation of Cricket World Cup matches held on the island in the spring of 2007, many Grenadians renewed their focus on the rebuilding process. The number of hotel and home-stay rooms in the tri-island state increased as a result. Both cruise ship visitors and stay overs have increased in the last year. However, Grenada lags behind its neighbors in marketing the island overseas and many rooms remain empty for much of each year. St. George's University, a large American medical and veterinary school with 3,700 students, about 1,200 of them American citizens, is in full operation and making a significant contribution to the economy. Due to the 2007 closure of SGU's St. Vincent campus, there are 350 additional

students in Grenada, resulting in a construction boomlet on the St. George's campus to create housing and teaching space for them.

14. (SBU) Grenada has good infrastructure, a relatively high literacy rate, and stable political system. Remittances from the U.S., Canada, and the UK are reported to amount to approximately 31% of Grenada's GDP. High public debt, about 126% of GDP, resulting from rebuilding efforts following the two hurricanes continues to be a drag on the economy. Further economic diversification, especially in tourism and education services and higher-end niche agricultural markets, should improve Grenada's longer-term prospects. The minimum wage was last raised in July 2002 for domestic workers, plumbers, agricultural workers, and shop assistants. The normal workweek is forty hours in five days. Unemployment, especially among youth aged 18-25, is over 20%. The cost of living has been going up for the last several years.

Assistance

15. (SBU) The Government of Grenada is desperate for assistance that will not increase the country's overall debt. As a result, offers from foreign donors are grasped as quickly as they appear. The Cubans have sent doctors, run the local pathology lab (not very well apparently as any forensic work must be sent elsewhere, usually to Trinidad & Tobago), provided emergency saving (GE) light bulbs to local residents, and continue to provide eye operations for Grenadians. Venezuela announced assistance to Grenada after Hurricane Ivan, but has only delivered a fraction of what was promised; the Venezuelan military has built some houses for needy Grenadians, though not the hundreds promised. Grenlec - the American owned Grenadian electricity company - in October switched from Texaco to PetroCaribe for the fuel to run its turbines. Japanese assistance to farmers and fishers is tied to Grenadian support

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for Japan's position in the International Whaling Commission (IWC). Grenada supports the Japanese position in IWC meetings and in conversations with us.

16. (SBU) Grenada's relationship with the PRC is the most complex. We understand that the PRC provided a large amount of financial support to opposition party National Democratic Congress (NDC) in the 2003 elections; some here believe that support made all the difference in NDC contestants winning seven seats. At that time, the GOG still recognized Taiwan. In 2004, the GOG switched allegiance and the money started rolling into government coffers. Twenty-four Grenadians are studying at universities around China. The PRC built Grenada's new national cricket stadium with 600 plus imported Chinese workers. With the stadium finished in early 2007, the workers fanned out into agricultural and cultural projects, teaching Chinese at the T.A. Marryshow Community College (TAMCC), and constructing the first tranche of a promised 2,000 homes. GOG officials, government employees, and opposition MP's have been sent to China on all expense paid junkets. Media workers have attended two to four week journalism seminars in China. On October 31, the GOG announced that the PRC will build a port in Sauteurs in the north of the main island, send seven Chinese doctors, build IT centers around the country, and train the Royal Grenadian Police Force (RGPF) in martial arts. Local construction companies complain that they cannot compete with a government that does not have to worry about making a profit and are particularly annoyed with the international financial institutions that allow the PRC to compete with private companies on their projects. The PRC uses only Chinese labor on its own building projects.

17. (SBU) The GOG would welcome more U.S. engagement and assistance but will do nothing publicly to jeopardize ties to their newfound friends. Politicians thank U.S. officials in private but are less effusive in public statements. The U.S. continues to provide training and other assistance to the RPGF, and was heavily involved in the extensive training provided to those countries hosting 2007 Cricket World Cup, but this is less

visible and therefore less politically desirable than the showy projects handed over without apparent strings by the Chinese, Japanese, and others. Expats in the United States have been recommending that the GOG take lessons from the Cold War and U.S.-Soviet relations and attempt to play the "China card" to convince the U.S. to give more money to counter the "red menace". Statements from USG officials that the United States has a different relationship with China than it had with the USSR and does not want another cold war fall on deaf ears.

Politics

18. (SBU) Governor General Sir Daniel Williams opened Parliament on October 12, 2007 with a shorter than usual throne speech consisting mostly of a compilation of government accomplishments and few specific future projects. Speculation took off immediately that this was the last throne speech before Prime Minister Keith Mitchell calls elections. The last possible date elections can be held is February - March, 2009. The NDC has been trying for the last year to push the government into calling elections, but Mitchell continues to keep his own council.

19. (SBU) National Democratic Congress (NDC) political leader Tillman Thomas gave his party's official policy statement on October 13, the first time the party has actually told the country what it stands for, rather than what it is against. The NDC holds seven of the 15 seats in the lower house of parliament. Thomas said an NDC government will focus on good governance, social development, human resource development, economic development, fiscal policy, and cost of living issues, with a special focus on re-invigorating agriculture. Thomas maintained that the party will support private investment, a necessary qualification in light of private and public NDC leadership statements that government should own all land and that people should be required to remain on the land as farmers.

110. (SBU) Grenada has three additional registered political parties: Grenada United Labour Party (GULP), People's Labour Movement (PLM), and Good Old Democracy (GOD) party. GOD is essentially a vanity political party with one member. Disarray in GULP and PLM leadership will most likely keep them from mounting effective challenges to the NNP and NDC anytime soon. Two people claim to be political leader of GULP and neither one will give an inch. PLM recently lost a substantial number of its political leadership in a dispute over comments critical of the judicial system made by its political leader. Ironically, the PLM deserters have joined one of the GULP factions, further exacerbating that party's internal problems.

111. (SBU) The Caribbean Development Research Services, Inc. (CADRES) released a poll in October that showed a public ambivalent about the political parties - with 43% either unsure or unwilling to say which political party they support - but

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with a clear preference for the current Prime Minister: 59% preferred Mitchell, 33% Thomas, with the remaining 5% split between GULP and PLM leaders. The poll had a margin of error of +/- 5%. Mitchell, enjoying his personal lead, cautioned that the results were clear that there was more work to do. Thomas lashed out, accusing Mitchell of "buying off" CADRES and CADRES of deliberately hiding local-level results that proved NDC was preferred. CADRES had stated up front that the information gathered at the local level was from too few respondents to be meaningful.

Deportees

112. (SBU) Grenada had been averaging about twelve deportees from the United States each year. In 2007, there have been seventeen returned to Grenada from January through October. Mitchell acknowledges that the U.S. has the right to determine who may live within its borders. The Prime Minister has one example of a deportee becoming enmeshed in local violence upon his return to Grenada, which the PM regularly trots out in meetings with

USG officials. Embassy discussions with the Commissioner of Police (COP) reveal that the RGPF keeps track of each and every deportee upon their return. Embassy informs the RGPF via letter of each returnee, escorted or non-escorted. The police meet the person, interview them, and keep a record of where they are living. The COP has told us that the police can pick any of them up at any time and says that from the police perspective, the deportees are generally not a major component of local crime and violence. Grenada's Minister for Social Development told us she would like to see re-integration programs for prisoners leaving Grenada's one prison, but so far the GOG has not allocated any money. Embassy Grenada has received several inquiries from deportees since mid-July asking about the USG "program to reintegrate deportees" into Grenadian society as well as when they can get visas to return to the U.S.

1983 - Where the Bodies are Buried

113. (SBU) WHA Assistant Secretary Thomas A. Shannon promised Mitchell in a one-on-one meeting in June, when the Prime Minister was in Washington for the Conference on the Caribbean, that the USG would make another effort to search U.S. files to determine the location of the bodies of former Prime Minister Maurice Bishop and members of his cabinet. The Grenadians in prison for assassinating Bishop et al continue to insist that the "Americans know where the bodies are". The most radical NDC adherents, who are very close to the prisoners, support this view. DOD/OSD promised to follow through on a search upon receipt of a execsec to execsec memo from State. Mitchell is likely to remind de Pirro of Shannon's promise.
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